



**STATE OF UTAH INSURANCE DEPARTMENT**

**REPORT OF FINANCIAL EXAMINATION**

Of

**FIDELITY INVESTMENTS LIFE INSURANCE COMPANY**

of

Salt Lake City, Utah

as of

December 31, 2021



## TABLE OF CONTENTS

<b>SALUTATION .....</b>	<b>1</b>
<b>SCOPE OF EXAMINATION.....</b>	<b>1</b>
<b>SUMMARY OF SIGNIFICANT FINDINGS AND RECOMMENDATIONS.....</b>	<b>2</b>
<b>SUBSEQUENT EVENTS.....</b>	<b>2</b>
<b>COMPANY HISTORY .....</b>	<b>3</b>
General.....	3
Dividends and Capital Contributions.....	3
Mergers and Acquisitions .....	3
<b>MANAGEMENT &amp; CONTROL INCLUDING CORPORATE GOVERNANCE....</b>	<b>4</b>
Board of Directors.....	4
Officers .....	4
Committees .....	5
Holding Company.....	5
Transactions and Agreements with Affiliates.....	6
<b>TERRITORY AND PLAN OF OPERATION .....</b>	<b>8</b>
<b>REINSURANCE .....</b>	<b>9</b>
Assumed.....	9
Ceded .....	9
<b>GROWTH OF COMPANY .....</b>	<b>11</b>
<b>FINANCIAL STATEMENTS.....</b>	<b>13</b>
BALANCE SHEET .....	14
SUMMARY OF OPERATIONS .....	15
RECONCILIATION OF CAPITAL AND SURPLUS.....	16
<b>ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS .....</b>	<b>17</b>
<b>COMMENTS ON FINANCIAL STATEMENT ITEMS.....</b>	<b>17</b>
<b>ACKNOWLEDGEMENT .....</b>	<b>17</b>

May 19, 2023

Honorable Jonathan T. Pike, Commissioner  
Utah Insurance Department  
4315 S 2700 W, Suite 2300  
Taylorsville, Utah 84129

Commissioner:

Pursuant to your instructions and in compliance with statutory requirements, an examination, as of December 31, 2021, has been made of the financial condition and business affairs of:

**FIDELITY INVESTMENTS LIFE INSURANCE COMPANY**  
Salt Lake City, Utah

hereinafter referred to in this report as the “Company” and the following report of examination is respectfully submitted.

**SCOPE OF EXAMINATION**

**Period Covered by Examination**

The last financial examination of the Company was completed as of December 31, 2016. The current examination is a full scope examination covering the period from January 1, 2017, through December 31, 2021, including any material transactions or events occurring subsequent to the examination date and noted during the course of the examination.

**Examination Procedures Employed**

We conducted our examination in accordance with the National Association of Insurance Commissioners Financial Condition Examiners Handbook (“Handbook”). The Handbook requires that we plan and perform the examination to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Company and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause the Company’s surplus to be materially misstated both currently and prospectively.

All accounts and activities of the Company were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management’s compliance with Statutory Accounting Principles. The examination does not attest to the fair presentation of the financial statements included herein. If, during the course

of the examination an adjustment is identified, the impact of such adjustment will be documented separately following the Company's financial statements section of this report.

This examination report includes significant findings of fact, as mentioned in Utah Code § 31A-2-204(7)(a) and general information about the Company and its financial condition. There may be other items identified during the examination that, due to their nature (e.g., subjective conclusions, proprietary information, etc.), are not included within the examination report but separately communicated to other regulators and/or the Company.

## **SUMMARY OF SIGNIFICANT FINDINGS AND RECOMMENDATIONS**

There were no significant findings and recommendations for inclusion in this examination report.

## **SUBSEQUENT EVENTS**

The following significant events were noted subsequent to the examination period:

1. Miles Mei was appointed as Chief Financial Officer (CFO) and Treasurer as of the examination date. During November 2022, David Anthony Golino returned and resumed his previous position as CFO, and Miles Mei remained as Treasurer.
2. During the April 2023 Board meeting, the Company elected three (3) new directors: Richard Gray Compson, Kathryn Ann Dunn, and Robert William Litle. In the same period, Sriram Palghat Subramaniam resigned from the Board. The Board also established an Investment Committee of the Board which held its initial meeting during April 2023. The Investment Committee was comprised of Directors Nancy D. Prior as the Chair, William J. Johnson, Jr., David J. Vargo, and Gerald W. Patterson.
3. On November 16, 2022, Peter G. Johannsen retired from the Board and his position as the Chair of the Audit Committee. On the same day, David J. Vargo was elected as the Chair of the Audit Committee.
4. On April 20, 2023, the Company filed with the Department an Insurance Holding Company System Prior Notice of a Transaction (Form D) related to a Funds Withheld Coinsurance arrangement with an-offshore-affiliated Bermuda reinsurance company, Soteria Reinsurance Limited (Soteria Re), in which the Company is ceding 4,200 fixed single premium immediate annuity contracts to Soteria Re. In addition, Form D also indicated that Soteria Reinsurance Holdings LLC will provide investment management services with respect to those assets supporting the annuity contracts. These annuity contracts were previously ceded to Genworth Life Insurance Company, which the Company recaptured in 2022.

5. In 2022, the Company paid \$125,000,000 in dividends to its parent, FMR. In the same year, the Company received \$10,800,000 in dividends from its subsidiary, Empire Fidelity Investments Life Insurance Company (EFILI).

## **COMPANY HISTORY**

### **General**

The Company was incorporated on May 13, 1981, in Pennsylvania as Independence Square Life Insurance Company. On June 16, 1983, the Company changed its name to Provident Mutual Variable Life Insurance Company. On December 30, 1986, FMR Corp. acquired the Company after it ceded all its in-force policies to Provident Mutual Life Insurance Company. The Company again changed its name to its current name, Fidelity Investments Life Insurance Company, on November 10, 1992, and re-domesticated from Pennsylvania to Utah on this same date. Effective October 1, 2007, FMR Corp. merged into FMR LLC, making FMR LLC (FMR) the ultimate parent of the holding company.

The Company is licensed in all states and the District of Columbia, except for New York. The Company has a wholly owned insurance subsidiary, EFILI, which operates exclusively in the State of New York.

There were no amendments to the Company's Articles of Incorporation and Bylaws during the period of this examination.

### **Dividends and Capital Contributions**

The Company paid \$103,000,000 and \$102,000,000 in ordinary dividends to FMR for 2021 and 2020, respectively. The Company did not pay any dividends during 2017-2019. Subsequent to the examination date, in 2022, the Company paid \$125,000,000 in ordinary dividends to FMR.

The Company received \$10,800,000 in ordinary dividends from EFILI in 2021. The Company did not receive any dividends during 2017-2020. In 2022, EFILI paid another \$10,800,000 in ordinary dividends to the Company.

The Company did not receive any capital contributions during this examination period or after.

### **Mergers and Acquisitions**

There were no merger or acquisition transactions during the period of this examination or after.

## MANAGEMENT & CONTROL INCLUDING CORPORATE GOVERNANCE

### Board of Directors

Article V, Section 1 of the Company's Bylaws indicated that the Board shall be of not less than seven (7) nor more than fourteen (14) Directors.

The following persons served as Directors of the Company as of December 31, 2021:

<b>Name and Location</b>	<b>Primary Occupation</b>
William Joseph Johnson, Jr. Amherst, NH	Retired-Former President of Fidelity Investments Life Insurance Company
Kathleen Ann Murphy Wellesley, MA	Retired Executive Former Head of Fidelity Personal Investing
Sriram P. Subramaniam Wellesley, MA	President and Chief Executive Officer Fidelity Brokerage Services, LLC.
Roger T. Servison Brookline, MA	Retired- President of Strategic New Business Development Fidelity Investment
Rodney Raymond Rohda Newton, MA	Retired- Former President of Fidelity Investments Life Insurance Company
Jane P. Jamieson Waban, MA	Retired- Financial Services Business Executive Pyramis Global Advisors
Wendy E. John Durham, NC	Head of Global Diversity & Inclusion FMR LLC
Peter G. Johannsen Wellesley, MA	Retired- Partner Sullivan & Worcester, LLP
Gerald W. Patterson Boston, MA	President of Fidelity Investments Life Insurance Company
Malcolm Mackay New York, NY	Retired- Managing Director Russell Reynolds Associates
David J. Vargo Higham, MA	Retired- Counterparty Research Analyst Fidelity Management Research Company
Nancy D. Prior Norwood, MA	Retired- Head of Fixed Income & High Income Emerging Markets Debt, Fidelity Investments

### Officers

Officers as of December 31, 2021, were as follows:

<b>Name</b>	<b>Title</b>
Gerald W. Patterson*	President
Miles Mei	Chief Financial Officer & Treasurer
James F. Andrea	Vice President
Lance A. Warrick	Secretary/Chief Legal Counsel
Robert K. Leach	Appointed Actuary
Brian N. Leary	Chief Compliance Officer
Robert G. Regan	Chief Risk Officer
Deepa R. Trivedi	Vice President
Richard S. Rowland	Vice President

\*Gerald W. Patterson replaced William Joseph Johnson, Jr. as President during September 2021.

### Committees

The only committee of the Board of Directors is the Audit Committee. Members of the Audit Committee are as follows:

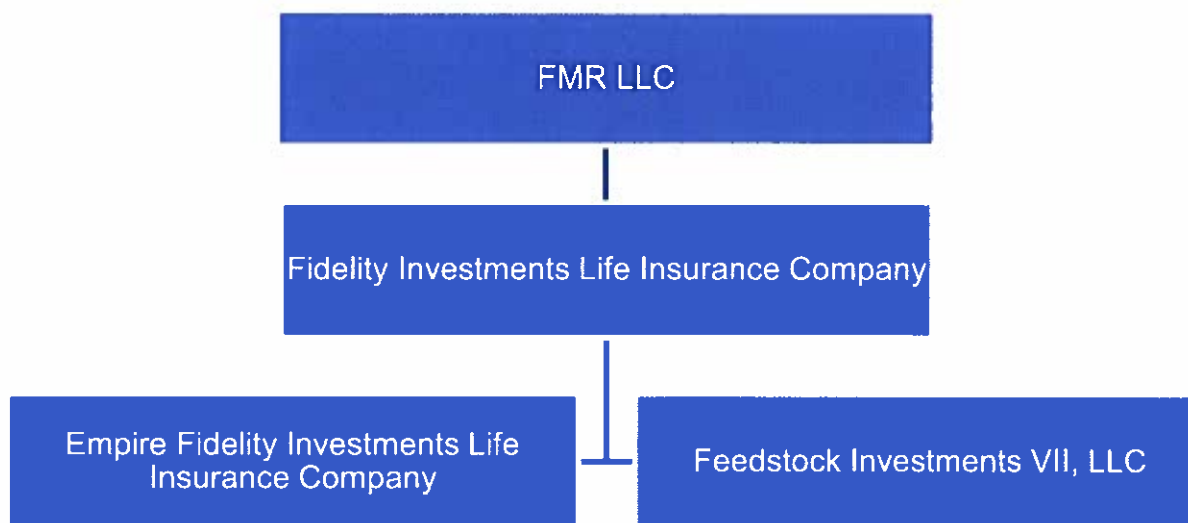
Peter G. Johannsen*
Jane P. Jamieson
Malcolm Mackay
William J. Johnson, Jr.
David J Vargo

\*See SUBSEQUENT EVENTS section for changes to the Board of Directors, Officers, and Audit Committee members.

### Holding Company

The Company is a member of an insurance holding company system as defined by Utah Code § 31A-16-101. The ultimate parent of the holding company is FMR LLC. The Company owns 100% of the common capital stock of its subsidiary, EFILI, a New York domiciled insurer. Effective April 1, 2014, Feedstock Investments VII, LLC also became a wholly owned subsidiary of the Company.

The following organization chart reflects only the direct ownership of the Company:



## Transactions and Agreements with Affiliates

The following were the most significant affiliated agreements and transactions in place as of December 31, 2021:

1. Federal Tax Sharing Agreement

This agreement was entered into by and between the Company and EFILI effective December 31, 1992. The agreement states that the Company will file and pay the consolidated federal income tax return on behalf of EFILI. Taxes charged to EFILI shall not be more than EFILI would have paid had it filed on a separate return basis.

2. EFILI Administrative Services Agreement

This agreement was entered into by and between the Company and EFILI effective March 10, 1992. Under the terms of the agreement, the Company agrees to provide certain accounting, computer and data processing, tax and auditing, underwriting, claims, and actuarial services. The agreement was amended on January 1, 1993; October 21, 1996; and October 12, 2001, to accommodate additional services related to the lines of business to be commenced by EFILI.

3. FMR Corp. Administrative Services Agreement

This agreement was entered into by and between the Company and FMR Corp. effective April 1, 1998, in which FMR Corp. agrees to provide various administrative services including accounting and tax, computer and data processing, telecommunication, legal, human resources, financial services, and occupancy.

4. Fidelity Investments Southwest Company Administrative Services Agreement

This agreement was entered into by and between the Company and Fidelity Investments Southwest Company, a division of Fidelity Distributors Corporation (Distributors), effective October 13, 1994. Pursuant to the terms of the agreement, Distributors agrees to provide certain printing and mailing administrative services.

5. Incoming Mail Processing Agreement

This agreement was entered into by and between the Company and Fidelity Investments Institutional Operations Company, Inc. (FIIOC) effective April 1, 2005. Under the terms of the agreement, FIIOC agrees to receive incoming mail, electronically transmit scans to the Company, transmit hard copies to offsite storage, as well as other mail processing services.



6. Investment Management Agreement

This agreement was entered into by and between the Company and Fidelity Institutional Asset Management Trust Company (FIAM TC- formerly known as Pyramis Global Advisors Trust Company). Under the terms of the agreement, effective October 1, 2006, FIAM TC agrees to provide investment management and advisory services for the Company's general account. The agreement was amended on June 1, 2012, to replace Exhibit B- Investment Policy and Guidelines. The agreement was again amended on July 1, 2014, to amend Exhibit A- Investment Management Fee Schedule, and Exhibit B. The purpose of both Exhibit A and B amendments was to include the Surplus High Yield Portfolio within the Investment Management Agreement. Effective in 2022, the agreement was amended to replace FIAM TC with another affiliated investment manager, FIAM LLC.

7. Fidelity Insurance Agency Administrative Services Agreement

This agreement was entered into by and between the Company and Fidelity Insurance Agency, Inc. (FIA), effective January 1, 1993. Under the terms of the agreement, the Company agrees to provide accounting, reporting, analysis, commission/incentive compensation administration, computer systems including hardware and software, new business and marketing services.

8. FIA Distribution Agreement

The agreement was entered into as of October 9, 1996, by and between the Company and FIA; Fidelity Investments Insurance Agency of Texas, Inc.; Boston Fidelity Insurance Agency of New Mexico, Inc.; Fidelity Insurance Agency of Arizona, Inc.; Ohio Fidelity Insurance Agency, Inc.; Fidelity Insurance Agency of Alabama, Inc., (collectively FIAs). Under the terms of the agreement, the Company appoints FIAs as its independent general agents for the sale of the Company's fixed annuity contracts and term life insurance policies. The agreement was amended on January 26, 2002, and again on May 20, 2002, to replace Schedule A- Fees.

9. FIAs and FBSI Distribution Agreement

This agreement was entered into as of October 1, 1993, by and between the Company, FIAs, and Fidelity Brokerage Services, Inc. (FBSI). Under the terms of the agreement, FIAs and FBSI are permitted to engage in the sales of variable annuity contracts and variable life insurance policies issued by the Company. The agreement was amended on May 20, 2002; March 2, 2004; and March 11, 2005, to update Article IV-Compensation.

10. Separate Account Service Agreement

The agreement was entered into by and between the Company and FIIOC effective August 15, 2005, under which the Company provides Variable Insurance Products Funds (VIP Funds) administrative services to FIIOC on certain shares of VIP Funds.

## **TERRITORY AND PLAN OF OPERATION**

The Company is licensed to write business in all states and the District of Columbia, except for New York, in which EFILI operates exclusively.

The Company utilizes a captive distribution system. The Company's products are marketed and distributed through affiliated companies on a low-cost basis via the internet, direct mail, media advertising, phone, and through various FMR investor centers located throughout the United States.

The Company markets and sells a low cost deferred variable annuity product, Fidelity Personal Retirement Annuity. The Company previously sold a deferred variable annuity product with a guaranteed minimum withdrawal benefit, Fidelity Growth and Guaranteed Income Annuity that was discontinued after March 31, 2009. The Company also services a legacy deferred variable annuity product, Fidelity Retirement Reserves (FRR), which is closed to new customers. FRR is also referred to as New Retirement Reserves (NRR). The FRR product offered a guaranteed minimum death benefit feature which provided contract holders with a default guarantee that the benefit received at death will be no less than the prescribed minimum amount. Upon the death of the annuitant prior to age 85, the basic death benefit is the greater of the contract value or total premiums, adjusted for withdrawals. FRR also offered an optional rider that pays a death benefit equal to the greater of the basic death benefit or the highest contract value on any contract anniversary prior to death, adjusted for withdrawals. The FRR product offered a fixed account option with a guarantee period of at least three months but not exceeding fifteen months. Effective July 2014, the Company disallowed allocations to the guaranteed fixed account by FRR contract holders in the states where allowed.

The Company also sold a variable immediate annuity product, Fidelity Freedom Lifetime Income Annuity (FFLI). The FFLI product was closed to new investors in March 2017 due to lower customer demand. The Company services a legacy variable immediate annuity contract, Fidelity Income Advantage, and a legacy fixed immediate annuity product, Fidelity Guaranteed Income Advantage, which has a guaranteed income for life or period certain.

The Company currently offers a term life insurance product with level premium paying periods of ten, fifteen, and twenty years. The Company also services a legacy variable universal life insurance and variable life insurance product which are both closed to new investors.

## REINSURANCE

### Assumed

The Company did not have any assumed reinsurance.

### Ceded

The following narrative outlines the various reinsurance arrangements in place as of the examination date:

### Life Products:

#### 1. Term Life

The Company has reinsurance agreements with certain reinsurers to retain coverage per individual life of \$25,000 plus 30% of the excess over \$25,000 with a maximum retention not to exceed \$100,000 for policies issued before March 1, 2008. The Company retains a flat \$100,000 per individual life for policies issued on or after March 1, 2008.

A summary of the reinsurance arrangements for automatic reinsurance are as follows:

Reinsurer	Effective Date	Reinsurance %			
		Lincoln	Swiss Re	Munich Re	RGA
Lincoln National Life Insurance Company (Lincoln)	April 1, 1996	100%			
Swiss Re Life & Health America, Inc. (Swiss Re)	March 12, 2004		100%		
Swiss Re / Munich American Reassurance Company (Munich Re)	April 1, 2014		75%	25%	
Swiss Re / Munich Re / Reinsurance Group of America (RGA)	March 1, 2021		60%	20%	20%

Policies issued before March 12, 2004, are reinsured with The Lincoln National Life Insurance Company (Lincoln). Policies issued on or after March 12, 2004, are reinsured with Swiss Re Life & Health America Inc. (Swiss Re). It should be noted that Lincoln has retro-ceded 100% of its business to Swiss Re. The agreements with Lincoln and Swiss Re are coinsurance. Policies issued on or after April 1, 2014, are reinsured with Swiss Re and Munich American Reassurance Company (Munich Re). Under this arrangement Swiss Re reinsures 75% and Munich Re reinsures the remaining 25% of the amount exceeding the retention for each policy. Policies issued on or after March 1, 2021, are reinsured with Swiss Re, Munich Re, and Reinsurance Group of America (RGA). Under this arrangement, Swiss Re reinsures 60%, Munich Re reinsures 20% and RGA the remaining 20% of the amount exceeding the retention for each policy. In addition, facultative policies are 100% reinsured with Swiss Re.

## 2. Variable Universal Life

This product was introduced in 2004 and discontinued in 2008. Mortality risk is reinsured with Swiss Re, under a coinsurance agreement in which the Company retains \$25,000 per individual life plus 30% of the excess over \$25,000. The maximum retained coverage does not exceed \$100,000.

## 3. Corporate Owned Life Insurance

For this product, the Company established reinsurance agreements with three reinsurers, Munich Re, Swiss Re, and Reinsurance Group of America, Inc. (RGA). The Company retains \$25,000 per life plus 30% above \$25,000, up to \$100,000. The three reinsurers share the exposure in excess of the Company's retention. The Company closed this product to new business and has no policies in-force.

## 4. Variable Life

This is a small, closed block of business with fewer than 40 in-force policies. Reinsurance is based on the net amount at risk. Approximately \$1,000 in total monthly reinsurance premium is paid to Swiss Re and RGA.

### Annuity Products:

#### 1. New Retirement Reserve (NRR) Standard Return-of-Premium Death Benefit

The Company utilizes Munich Re as its reinsurer for NRR contracts. There was no reinsurance for contracts issued prior to September 10, 1998, where the contract holder's age is less than 70 years old. For contracts issued prior to September 10, 1998, and the contract holder is between the age of 70 and 85, the Company reinsured 100%. The same reinsurance arrangement applies to contracts issued prior to February 29, 2000. For contracts issued between March 1, 2000, and June 30, 2001, and the contract holder's age is less than 85, the Company retained the first \$25,000 plus 30% in excess of \$25,000, up to \$100,000. This product phased out with the introduction of FPRA in the third quarter of 2005. No reinsurance arrangement existed for contracts issued between July 1, 2001, and December 31, 2005, due to cost/benefit considerations and the relative availability of reinsurance.

#### 2. NRR Optional (Ratchet) Death Benefit

Contracts issued between September 13, 1999, and November 30, 2001, are 100% reinsured by Munich Re. For contracts issued between December 1, 2001, and December 31, 2002, the Company retained the first 25% and reinsured the next 26-75%, then retained anything above 75%. As of January 1, 2003, this product was no longer offered as a product option.

### 3. FIA, NRR Annuitized, and FPRA Annuitized Contracts

- a. Fixed Portion of Policies: For the fixed portion of FIA and annuitized NRR and FPRA contracts where annuitization occurred before June 1, 2009, the Company passed 100% of premium to Principal Life Insurance Company (Principal). Principal agreed to make annuity payments to the Company who administers the claims. A trust has been put in place to secure these assets. As of May 1, 2008, sales of FIA were discontinued. NRR and FPRA contracts annuitized after May 31, 2009, are not reinsured.
- b. Variable Portion of Policies: The Company entered into a reinsurance agreement with Cigna Connecticut General Life Insurance Company (Cigna) to reinsure a portion of their longevity risk. Under the agreement, the Company pays premiums based on the reserves, while gains and losses are shared with Cigna based upon the life expectancy of the policy holder and how long they live. Only variable income annuities sold on or before August 31, 2000, are reinsured; the longevity risk of all other variable income annuities is fully retained by the Company.

### 4. FGIA

FGIA is a single premium income annuity which provides fixed income options only. The Company 100% reinsured this product with Genworth Life Insurance Company (Genworth). A trust has been put in place to secure these assets. As of May 1, 2008, sales of FGIA were discontinued. The Company recaptured this block from Genworth during 2022 and currently has plans to cede it to an offshore affiliated reinsurance entity that is ultimately owned by FMR.

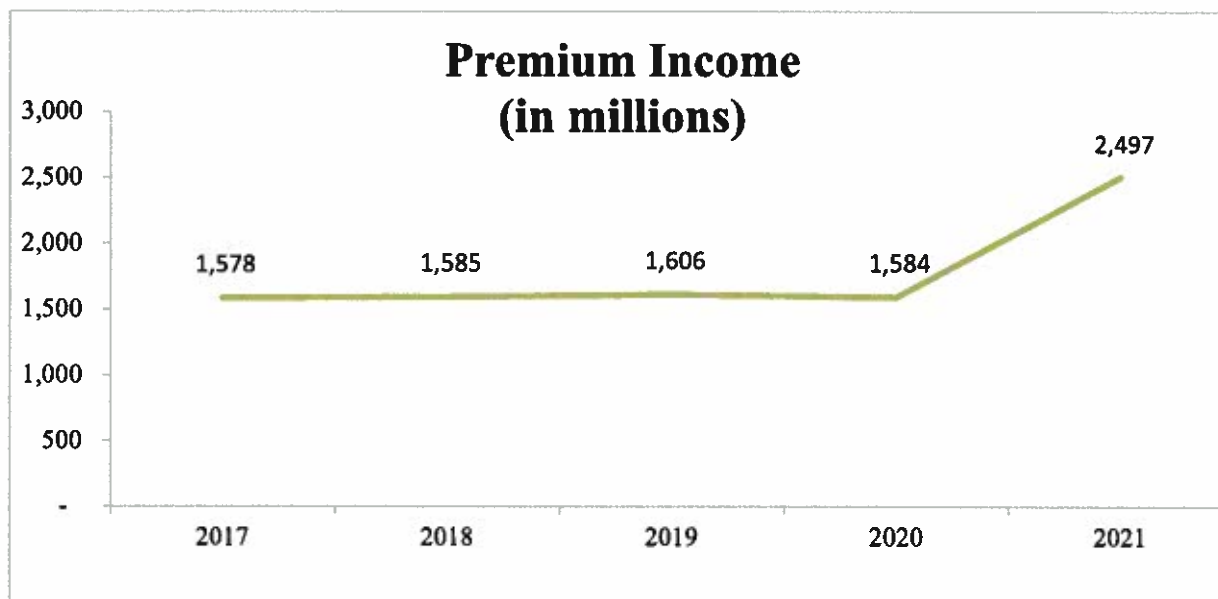
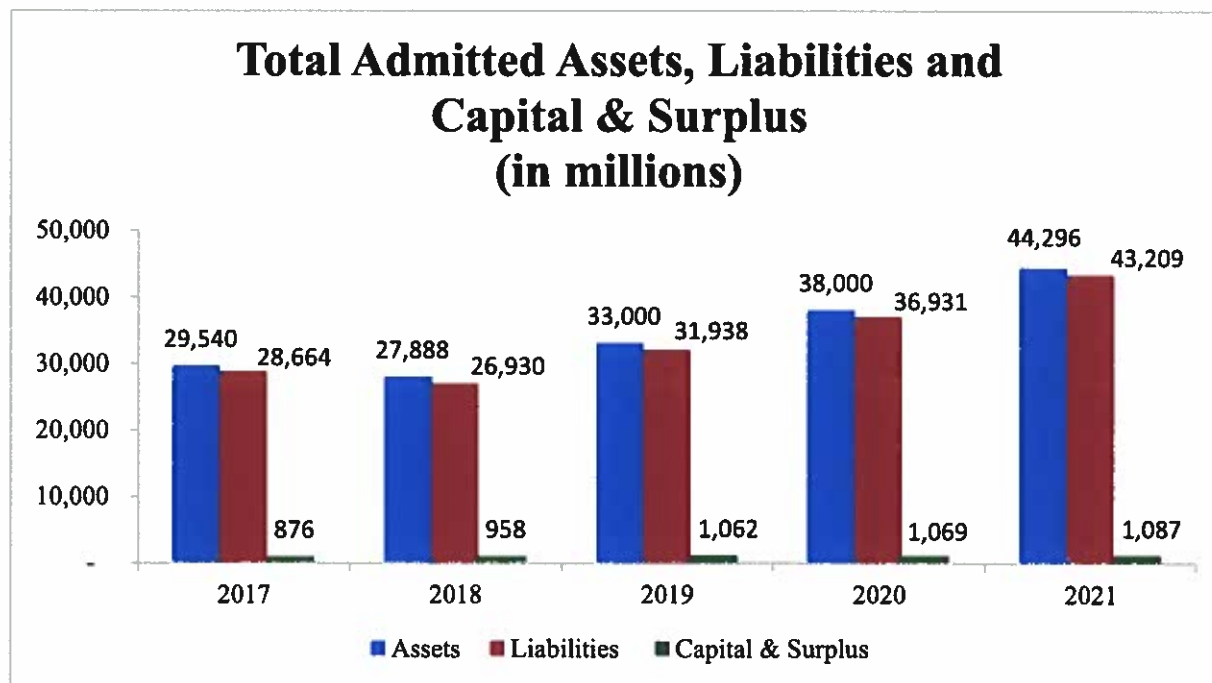
### 5. FGGI

The Company offered this guaranteed minimum withdrawal benefit (GMWB) product from September 2007 to March 2009. Contracts issued between September 2007 and December 2008 are 100% reinsured with Genworth. Contracts issued between January and March 2009 are 90% coinsured with RGA. The reinsurance on FGGI policies ends if both (i) the contract annuitizes and (ii) the GMWB guarantee is out of the money.

## **GROWTH OF COMPANY**

During this examination period, the Company experienced a stable financial condition as evidenced by an A+ rating from AM Best. The Company's low premium-to-surplus ratio is also an indication of the Company's financial strength. The recommended ratio is less than 5 to 1. The Company's ratios for all years under the examination are less than 2.5 to 1 as noted in the last table of this section of the examination report.

The following graphs reflect the Company's financial experience for the examination period:



Year	Gross Revenues	Capital & Surplus	Premium-to-Surplus Ratio
2017	\$ 1,577,603,903	\$876,052,744	1.80
2018	\$1,585,144,133	\$957,526,696	1.66
2019	\$1,605,868,337	\$1,061,921,574	1.51
2020	\$1,583,586,980	\$1,068,957,525	1.48
2021	\$2,497,221,596	\$1,086,824,079	2.30

Sources: Key Annual Statement 2017 – 2021

## **FINANCIAL STATEMENTS**

The following financial statements are based on the statutory financial statements filed by the Company with the Department and present the financial condition of the Company for the period ending December 31, 2021. The accompanying COMMENTS ON FINANCIAL STATEMENTS reflect any examination adjustments to the amounts reported in the annual statement and should be considered an integral part of the financial statements.

**FIDELITY INVESTMENTS LIFE INSURANCE COMPANY**  
**BALANCE SHEET**  
as of December 31, 2021

<u>Assets</u>	
Bonds	\$ 1,064,283,627
Common stocks	110,394,290
Cash and cash equivalents	144,213,337
Contract loans	1,634,234
Investment income due and accrued	8,216,823
Uncollected premiums and agents' balances	217,881
Deferred premiums, agents' balances, not yet due	3,452,669
Amounts recoverable from reinsurers	4,658,990
Other amounts receivable under reinsurance contracts	164,916
Net deferred tax asset	21,310,124
Aggregate write-ins for other than-invested assets	12,851,770
Total assets, excluding separate accounts	1,371,398,661
From Separate Accounts and Segregated Accounts	42,924,034,308
Total assets	<u>\$ 44,295,432,969</u>
<u>Liabilities, Surplus and Other Funds</u>	
Aggregate reserve for life contracts	\$ 280,699,778
Contract claims	532,743
Premiums and annuity considerations received in advance	25,307
Other amounts payable on reinsurance	2,058,856
Interest Maintenance Reserve	12,037,089
Commissions to agents due or accrued	3,667,558
General expenses due or accrued	4,202,982
Transfer to Separate Accounts due or accrued	300,632
Taxes, licenses, and fees due or accrued	98,234
Current federal and foreign income taxes	52,699,306
Amounts withheld or retained by entity	3,174,115
Remittance and items not allocated	5,661,371
Asset Valuation Reserve	10,127,463
Payable to parent, subsidiaries, and affiliates	5,305,453
Payable for securities	2,940,296
Total liabilities, excluding separate accounts	383,531,183
From separate accounts	42,825,077,707
Total liabilities	43,208,608,890
Common capital stock	3,000,000
Gross paid in and contributed surplus	67,474,768
Unassigned funds (surplus)	1,016,349,311
Total capital and surplus	1,086,824,079
Total liabilities, capital and surplus	<u>\$ 44,295,432,969</u>



**FIDELITY INVESTMENTS LIFE INSURANCE COMPANY**  
**SUMMARY OF OPERATIONS**  
as of December 31, 2021

Premiums and annuity considerations for life contracts	\$ 2,253,745,185
Net investment income	41,139,826
Amortization of Interest Maintenance Reserve (IMR)	2,553,169
Separate Accounts net gain from operations, net unrealized gain/loss	8,776,809
Commissions and expense allowances on reinsurance ceded	4,481,164
Miscellaneous - Income from servicing of Separate Accounts	134,162,418
Miscellaneous - Aggregate write-ins for miscellaneous income	<u>52,363,025</u>
Total revenues	2,497,221,596
Death benefits	3,403,934
Annuity benefits	345,826,317
Surrender benefits & withdrawals for life contracts	1,291,949,923
Interest and adjustments on contract or deposit-type contract funds	62,453
Increase in aggregate reserves for life contracts	<u>4,274,527</u>
Total benefits	1,645,517,154
Commissions on premiums	41,251,246
General insurance expenses	39,048,201
Insurance taxes, licenses and fees, excluding federal income taxes	2,070,630
Increase in loading on deferred and uncollected premiums	416,160
Net transfers to or (from) Separate Accounts, net of reinsurance	<u>628,156,077</u>
Totals	2,356,459,468
Net gain from operations before federal income taxes	140,762,128
Federal & foreign income taxes incurred	<u>14,781,231</u>
Net gain from operations after taxes, before realized capital gains	125,980,897
Net realized capital gains (losses)	<u>(683,301)</u>
Net income or (loss)	<u><u>\$ 125,297,596</u></u>

FIDELITY INVESTMENTS LIFE INSURANCE COMPANY  
RECONCILIATION OF CAPITAL AND SURPLUS  
2017 through 2021

	2017	2018	2019	2020	2021
Capital and surplus prior reporting year	\$ 830,022,508	\$ 876,052,744	\$ 957,526,696	\$ 1,061,921,574	\$ 1,068,957,525
Net income	\$ 73,639,397	\$ 91,296,123	\$ 102,714,517	\$ 103,869,190	\$ 125,297,596
Change in net unrealized capital gains (losses) less tax	\$ (4,071,183)	\$ (1,315,651)	\$ 3,329,930	\$ 7,097,795	\$ (8,647,370)
Change in net deferred income tax	\$ (31,644,273)	\$ (787,923)	\$ 2,587,516	\$ 5,696,373	\$ 4,007,731
Change in nonadmitted assets	\$ 8,732,762	\$ (7,863,611)	\$ (7,366,347)	\$ (1,408,017)	\$ 862,461
Change in reserve on account of change in valuation basis (increase) or decrease		\$ -	\$ -	\$ 452,133	\$ -
Change in valuation reserve	\$ (626,467)	\$ 145,014	\$ (1,476,568)	\$ (1,467,528)	\$ (653,864)
Cumulative effect of changes in accounting principles	\$ -	\$ -	\$ 4,605,830	\$ -	\$ -
Paid in surplus adjustment	\$ -	\$ -	\$ -	\$ -	\$ -
Dividends to stockholders	\$ -	\$ -	\$ -	\$ (102,000,000)	\$ (103,000,000)
Aggregate write-ins for gains and losses in surplus	\$ -	\$ -	\$ -	\$ (5,203,995)	\$ -
Net change in capital and surplus for the year	\$ 46,030,236	\$ 81,473,952	\$ 104,394,878	\$ 7,035,951	\$ 17,866,554
Capital and surplus, December 31, current year	\$ 876,052,744	\$ 957,526,696	\$ 1,061,921,574	\$ 1,068,957,525	\$ 1,086,824,079

## **ANALYSIS OF CHANGES IN FINANCIAL STATEMENTS**

There were no adjustments made to surplus as of December 31, 2021, as a result of this examination.

## **COMMENTS ON FINANCIAL STATEMENT ITEMS**

There are no comments on financial statement items as of December 31, 2021, as a result of this examination.

## **ACKNOWLEDGEMENT**

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Respectfully Submitted,



Malis Rasmussen, MSA, CFE, SPIR  
Chief Financial Examiner  
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